

Dodgeville Housing Authority

CAPITALIZATION & INVENTORY POLICY

The Housing Authority shall establish and maintain complete and accurate records of all real and personal property owned by the Authority as follows:

CAPITALIZATION

1. Real Property: Defined as land and buildings and all fixtures permanently attached or installed in a fixed position, such as water heaters, heating equipment, (except space heaters not connected to ducts or pipes for the distribution of heat), cabinets, plumbing fixtures, etc.

2. Personal Property: For accounting purposes, is treated in three (3) general classes of items as follows:

A. Non-Expendable Items: Defined as items of personal property (equipment) having a useful life of more than one (1) year and value of \$1,000 or more. Non-Expendable personal property shall be capitalized for the purposes of establishing the property ledger and records prepared for each individual item recording the cost of each piece in the appropriate control accounts.

B. Expendable Items: Defined as items of personal property (equipment) having a useful life of more than one (1) year and value of \$25 to \$999.99 each, consisting of office equipment, maintenance tools, etc. Expendable personal property shall be set up under a physical inventory method under the control of assigned personnel and records prepared for each individual item recording the cost of each piece in the appropriate control account.

C. Materials and Supplies: Defined as items of property which (a) can be used only once, such as fuel, cleaning supplies, etc., (b) are spent in use, such as brooms, brushes, etc., or (c) lose their identity when put into use, such as nails, lumber, cement, repair parts, etc. The term “materials and supplies” also includes items such as small tools and equipment having a useful life of one (1) year or less. The net cost of materials and supplies purchased for stock is charged to the appropriate control account.

INVENTORY

1. A physical inventory of non-expendable and expendable property shall be performed every two years in order to verify that the property listed on the inventory can be located and is in use or remains part of a supply stock. The physical inventory will be performed by Housing Authority staff. The executive director or his/her designee shall perform a sampling of the inventory to verify the accuracy of the inventory.

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(Res. No. 99-02)

2. Equipment to be inventoried will follow the value range guidelines set forth under *Capitalization* above.
3. Inventory decals will be affixed to items as soon as possible after receipt and the following criteria shall be employed on the inventory record:
 - a. Equipment description and manufacturer's name
 - b. Equipment serial number, model number, and Housing Authority inventory number
 - c. Location (site name and room location)
 - d. Acquisition date
 - e. Acquisition cost
 - f. Useful life
4. The additions and deletions from inventory will be reported to the Administrative Assistant who is responsible for maintaining the inventory record. Newly acquired equipment will be promptly added to the inventory records and equipment removed from use will be promptly deleted from the inventory records. Location of equipment will be updated as changes occur to ensure that persons taking a physical inventory are able to easily locate all items on the inventory record.

Note: At the time of adoption of this policy the Dodgeville Housing Authority does not own any real property, personal property or inventory as described in the policy. This policy is to be followed if and when real property, personal property or inventory are acquired by the Authority.

Adopted by the Dodgeville Housing Authority on October 22, 2020.